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January 19, 2022

Ref: Pay Admin

MEMORANDUM

TO: Payroll Personnel

FROM: Aycha Sawa, Comptroller *S FOL*

SUBJECT: Form W-2 Wage and Tax Statement for 2021

IRS Form W-2 Wage and Tax Statement 2021 is required to be distributed to all current and former employees on or before **January 31, 2022**.

To assist you in answering routine employee questions we are providing some basic guidance as to what is reported in specific boxes on these W-2 forms. This year the form covers wages earned in Pay Period 26, 2020 (paid January 7, 2021) through and including Pay Period 25, 2021 (paid December 23, 2021) for a total of twenty-six (26) pay days.

The employees' departmental pay location number is shown in the return address box (c) following, "CITY OF MILWAUKEE."

Box 1 - Wages, tips, other comp. - contains 2021 taxable wages. In addition to wages, Box 1 includes any other taxable payments such as donor payments, taxable moving reimbursements, clothing allowances, taxable tuition reimbursements, and commuting mileage in city-owned vehicles. Taxable fringe benefits such as the imputed value of group-term life insurance over \$50,000 is also included in Box 1. Not included are contributions to the pre-tax deferred compensation plan, pre-tax health and dental deductions, FSA dependent care, parking and medical expense contributions, vision deductions, pre-tax pension deductions, auto allowance, and amounts received as current year injury. Prior year injury pay adjustments are reported on W-2cs for each respective year.

Box 3 - Social security wages - contains the Social Security portion of eligible components included in Box 1. Deductions on these amounts were made at 6.2% until the \$142,800 gross taxable earnings limit was reached. The maximum deduction was \$8,853.60. Deferred compensation and pension contributions are included in social security wages.



Box 5 - Medicare wages and tips - contains the Medicare portion of eligible components included in Box 1. Deductions on these amounts were made at 1.45% of all gross taxable earnings, unlimited. An additional 0.9% is deducted from gross taxable earnings exceeding \$200,000. Deferred compensation and pension contributions are included in Medicare wages.

Box 10 - Dependent care benefits - contains the amount of deductions for FSA dependent care.

Boxes 12a through 12d - contain amounts that are IRS defined with a one or two letter code. These codes are as follows:

- C - Taxable cost of group-term life insurance over \$50,000
- DD - Cost of ER-sponsored health – Informational only
- EE - Designated Roth contributions under governmental Section 457(b)
- G - Section 457(b) deferred compensation plan contributions
- L - Automobile mileage allowance equal to government

Box 14 - Other - contains the current year injury payments made. FFRCA payments will also appear in box 14.

Box 16 - State wages, tips – contains the same taxable wages as Box 1.

Please attempt to answer routine employee questions regarding W-2s. Payroll Administration should be contacted by departmental payroll personnel only if they are unable to answer specific questions. Employees should not contact our office directly to prevent delays in normal payroll processing. Due to the pandemic, all forms will be mailed directly to the employee and postmarked no later than **January 31, 2022**.

W-2 copies may always be obtained for free via self-service. If employees need a copy of their 2021 W-2 and do not have computer access, they may request a free copy from the Comptroller's Office with form C-403 (Request for IRS Form W-2) until April 18, 2022. After April 18, 2022, copies will be \$25. Note that 2014-2020 W-2's requested from the Comptroller's Office are \$25, however, may always be obtained for free, from self-service.

Address IRS Form 1095C specific questions to DER at x3184.

You may call Joann Bielinski at x2967 or Casey Kloss at x2312 with specific questions.

Office of the Comptroller
AS:JMB
W2 info memo